

Message Text

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ACTION L-03

INFO OCT-01 EUR-25 ISO-00 EB-11 DOTE-00 SSO-00 NSCE-00

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 4453

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PASS DOT

EO 11652 NA

TAGS EWWT CA

SUBJ GREAT LAKES PILOTAGE SITUATION

REF OTTAWA 2864

1. TCO MET LATE SEPTEMBER 10 WITH R. ILLING (ADMINISTRATOR, CANADIAN MARINE TRANSPORTATION ADMINISTRATION, MINISTRY OF TRANSPORT) AND W.A. O'NEIL (DEPUTY ADMINISTRATOR) TO REVIEW STATE OF PLAY IN PILOTAGE NEGOTIATIONS. ALSO DISCUSSED MATTERS WITH CAPT. L.M. DUSSAULT (DIRECTOR, MARINE PILOTAGE BRANCH, MOT) MORNING SEPTEMBER 11. FOLLOWING POINTS EMERGED:

A. CANADIAN PILOTS' REFUSAL BRING FOREIGN-FLAG VESSELS WESTBOUND THROUGH WELLAND CANAL AFTER ITS REOPENING SEPTEMBER 9 ULTIMATELY REFLECTS PILOTS' FRUSTRATION AND CONCERN OVER INABILITY USG AGREE TO CONTINUED EQUAL SHARING REVENUES FROM PILOTAGE SYSTEM. THEY PERCEIVE USG APPROACH AS A LONGER TERM THREAT TO THEIR JOB SECURITY AS EMPLOYEES OF CANADIAN AUTHORITIES. MORE IMMEDIATELY, THEY RESENT OPERATION OF DESPATCH

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SYSTEM AT PORT HURON, MICHIGAN, CONTROLLED BY US

PILOTS, WHICH INCREASINGLY, SINCE LATE 1973, IS ASSIGNING ONLY US PILOTS TO VESSELS THERE. SITUATION IS SO SERIOUS THAT GOC MAY HAVE TO ACT BY WEEKEND ESTABLISH AGAIN ITS OWN DESPATCHER ARRANGEMENT AT SARNIA, ONTARIO (AS IT DID LAST FALL). SPECTRE THUS LOOMS OF RIVAL PILOT BOATS APPROACHING VESSELS IN STREAM AND TWO ANGRY PILOTS CONFRONTING CAPTAIN WITH DEMANDS THEY BE HIRED FOR VOYAGE WITH ATTENDANT POSSIBILITY VIOLENCE BETWEEN THEM.

B. UNION REPRESENTING CANADIAN EMPLOYEES OF ST. LAWRENCE SEAWAY ADVISED MOT EARLY SEPTEMBER 11 BY TELEGRAM IT FULLY BACKS PILOTS. IMPLICATIONS OF THIS BACKING NOT YET CLEAR. IT CERTAINLY SUGGESTS THEY WILL CEASE WORK ON ALL VESSELS IN SYSTEM IF MAJOR DISCIPLINARY ACTION TAKEN AGAINST PILOTS FOR WELLAND REFUSALS. THERE IS ALSO POSSIBILITY THEY MIGHT CEASE WORK ANYWAY TO PROVIDE PILOTS WITH SUPPORT.

C. IN DUSSAULT'S VIEW, SEAWAY EMPLOYEES WILL ACT AS REQUESTED BY PILOTS. AT MOMENT, PILOTS WHO REFUSED WESTBOUND VESSELS MONDAY HAVE BEEN GIVEN 24-HOUR SUSPENSIONS WITHOUT PAY. EMPHASIS AT MOMENT (SEPTEMBER 11) IS ON EASTBOUND MOVEMENTS AND THESE ARE NOT BEING PREVENTED. ON SEPTEMBER 12, MORE ASSIGNMENTS TO WESTBOUND TRIP WILL BE GIVEN AND PILOTS EXPECTED REFUSE THESE. ADDITIONAL 24-HOUR SUSPENSIONS INTENDED. AT SOME POINT NUMBER OF SUCH SUSPENSIONS AND ATTENDANT LOSS OF PAY EXPECTED BECOME INTOLERABLE TO WELLAND PILOTS WHO MAY THEN REQUEST FRATERNAL ACTION FROM SEAWAY WORKERS AND/OR OTHER PILOT ORGANIZATIONS.

D. POSSIBILITY EXISTS WELLAND SITUATION COULD SPREAD ELSEWHERE IN PILOTAGE SYSTEM, ESQECIALY TO LOWER ST. LAWRENCE, REGARDLESS OF SEAWAY WORKERS. STATING THEY DID NOT WISH TO BE ALARMIST, ILLING AND O'NEIL INDICATED FEAR THAT, IF GOC ATTEMPTS BREAK PILOTS ACTION AT WELLAND THROUGH INJUNCTIONS, FEDERATION OF PILOTS CORPORATIONS WOULD CALL SYMPATHY STRIKE AT MONTREAL AND OTHER POINTS. DUSSAULT (WHO MAY BE CLOSER LIMITED OFFICIAL USE

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TO SCENE THAN HIS SUPERIORS) WAS MORE SPECIFIC AND INDICATED HE WAS WORRIED ABOUT A COMPLETE TIE-UP OF ALL ST. LAWRENCE-GREAT LAKES TRAFFIC WITHOUT REGARD TO POSSIBILITY OF INJUNCTION RE WELLAND TIE-UP. HE SEES A VERY CLOSE RELATIONSHIP BETWEEN GEOGRAPHIC-BASED PILOT ORGANIZATIONS AND FEARS FEDERATION ACTION SIMPLY TO SUPPORT WELLAND-LAKE ERIE OPERATORS. THIS WOULD BRING ALL SHIPPING IN AREA--INCLUDING THAT TO/FROM

MONTREAL AND QUEBEC CITY--TO A STANDSTILL, A
SITUATION GOC COULD NOT TOLERATE IN VIEW OF PROXIMITY
OF WINTER.

E. MOT QUITE UPSET AT NATURE SEPTEMBER 6 MESSAGE
FROM DOT UNDERSECRETARY BARNUM TO WHICH MOT DEPUTY
MINISTER STONER REPLIED SEPTEMBER 9. ILLING
EMPHASIZED WILLINGNESS MEET USG AGAIN ON SHORT NOTICE
IN WASHINGTON OR OTTAWA IN ATTEMPT REACH SETTLEMENT
OF IMPASSE.

F. AMPLIFYING THEME OF STONER REPLY, ILLING AND O'NEIL
STRESSED NEED FOR USG ESTABLISH CONTROL OVER DESPATCH
SYSTEM AT PORT HURON TO ASSURE THAT WORK IS SHARED
EQUITABLY BETWEEN TWO SIDES. HOWEVER, THEY ALSO
ADMITTED THAT WHILE THIS ISSUE HAS BEEN ON THEIR MINDS
FOR SOME TIME, CANDEL MAY NOT HAVE ADEQUATELY CONVEYED
IT TO USDEL AUGUST 21 AND EARLIER MEETINGS. THEY DO
FEEL PRESENT SITUATION IS AT VARIANCE WITH EXISTING
MEMORANDUM OF ARRANGEMENTS, AND IS INTOLERABLE. THEY
STRESSED THAT INCREASINGLY MILITANT CANADIAN PILOTS
PERCEIVE SITUATION AS UNBEARABLE. THUS, THEY FEEL
USG MUST MOVE PROMPTLY TO BRING DESPATCHING FUNCTION
UNDER EFFECTIVE PUBLIC EXPENDITURE. AN INDICATION
THAT USG IS WILLING TO DO SO, EVEN THOUGH IT CANNOT
ACT INSTANTANEOUSLY FOR LEGISLATIVE OR OTHER REASONS,
THEY FELT MIGHT BE SUFFICIENT TAKE HEAR OFF IMMEDIATE
SITUATION AT WELLAND. FURTHERMORE, ILLING AND O'NEIL
ALLOWED GOC WOULD PROBABLY HAVE NO OBJECTION TO
FURTHER INCREASE IN PILOTAGE RATES IF NECESSARY
TO RECOUP COSTS OF PROVIDING SUCH GOVERNMENTAL
SUPERVISION.

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ACTION L-03

INFO OCT-01 EUR-25 ISO-00 EB-11 DOTE-00 SSO-00 NSCE-00

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G. RESOLUTION OF DESPATCHING PROBLEM IS MORE FUNDAMENTAL AND IMMEDIATE THAN AGREEING FORMULA FOR DIVISION OF REVENUES, AS PROPER DESPATCHING ARRANGEMENTS NECESSARY TO ASSURE THAT REVENUES WERE ACTUALLY DIVIDED ON BASIS OF FORMULA. WITH RESPECT TO BASIS FOR DIVISION, ILLING AND O'NEIL INDICATED GOC COULD NOT ACCEPT PRINCIPLE ENUNCIATED BY DOT'S SEPTEMBER 6 MESSAGE AND CASUALLY DREW ATTENTION TO LARGE SHARE OF ST. LAWRENCE SEAWAY FINANCIAL BURDEN WHICH CANADA WAS BEARING IN RELATION TO TRAFFIC GENERATED BY UNITED STATES. (THEY DID NOT BELABOR THIS POINT, BUT THEY OBVIOUSLY LOOK AT ST. LAWRENCE-GREAT LAKES SYSTEM AS A WHOLE.)

H. TCO SUGGESTED THERE POSSIBLY WAS ROOM FOR MANEUVRE ON US SIDE BETWEEN TRAFFIC GENERATION RATIO EMPHASIZED BY DOT (WHICH THEY AGREED WOULD PROBABLY WORK OUT TO ABOUT 86/14 SPLIT) AND 50/50 DEMAND OF CANADA. HE URGED THEM TO THINK IN TERMS OF FORMULAS WHICH WOULD PROVIDE AN INBETWEEN DIVISION. AT ONE POINT THEY APPEARED RECEPTIVE TO SUCH A POSSIBLE ARRANGEMENT, IF LINKED TO GOVERNMENTAL AUTHORITY OVER PORT HURON DESPATCHING OPERATION, BUT THEN BACKED DOWN AND LIMITED OFFICIAL USE

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INDICATED THAT PILOTS' ORGANIZATIONS WOULD PROBABLY NOT STAND FOR IT. THEY ALSO STATED THAT TRANSPORT MINISTER MARCHAND HAD PRIVATELY INDICATED HIS STRONG SUPPORT FOR CANADIAN PILOTS' DEMANDS. THUS THEIR ROOM FOR MANEUVRE WAS CIRCUMSCRIBED.

I. TCO WAS REMINDED OF HISTORICAL FACTORS CANADA FELT SHOULD BE KEPT IN MIND BY USG. PRIOR TO 1959 OPENING ST. LAWRENCE SEAWAY THERE WAS LITTLE OCEAN-GOING TRAFFIC IN GREAT LAKES AND UNTIL 1960 PILOTAGE WAS 100 PERCENT CANADIAN. IT WAS USG, THEY MAINTAINED, THAT PRESSED FOR 50/50 DIVISION AND 1960 MEMORANDUM WAS NEGOTIATED WITH THAT TARGET IN MIND. US PILOTS ACTUALLY REACHED 50 PERCENT LEVEL IN 1970 AND HAVE BEEN MOVING BEYOND IT IN RECENT YEARS. GOC DEMAND THUS REFLECTS ITS TRADITIONAL POSITION OF EQUITABLE SHARE OF THE WORK. HOWEVER, THAT WORK IS DECLINING AS A RESULT OF

DECREASE IN FOREIGN-FLAG VESSELS MOVING INTO GREAT LAKES SINCE GENERAL CARGO NOW INCREASINGLY MOVING IN CONTAINERS THROUGH COASTAL PORTS OF US AND CANADA. THUS, OPPORTUNITIES FOR PILOTS IN BOTH COUNTRIES IS DRYING UP. THEY THINK CANADIAN SURPLUS CAN EVENTUALLY BE ABSORBED THROUGH NEW JOBS ON CANADIAN LAKE FLEET AND COAST GUARD VESSELS. BUT THAT WILL NOT TAKE PLACE IN NEAR FUTURE. IN MEANTIME, GOC HAS SIGNIFICANT POLITICAL PROBLEM WITH THIS SMALL GROUP AND IT CONSIDERS HISTORIC APPROACH OF 1960 AGREEMENT ONLY ONE IT CAN USE TO SATISFY THEM.
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